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EXAMINER

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ART UNIT

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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 10/026,965
Filing Date: December 27, 2001
Appellant(s): JANDA, STEVEN R.

Elizabeth M. Burke
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 10/4/06 appealing from the Office action
mailed 8/4/06.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(4) Status of Amendments After Final

The statement of the status of claims contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

2002/0118111

Brown et al.

8-2002

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

1. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

2. Claim 16-18,20,21,29,30, are rejected under 35 U.S.C. 102(e) as being anticipated by Brown et al. (20020118111).

For claim 16,20,29, Brown discloses a first and second secure areas. The limitations of the first secure area and 2nd secure areas are considered to be satisfied by simply any plurality of areas in the secure room 100. Applicant has recited secure areas and this language is broad enough to read on two areas of room 110, such as a first area that is located in the area where a customer enters room 110, and the 2nd secure areas are the areas where the item(s) are located that are being removed. The program disclosed in paragraph 29 satisfies the limitation of a rental component that generates a list of removed items. This program also satisfies the limitation of the

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return component. The rental component and return component (partial return component) are the respective portions of the program discussed in paragraph 29 that accomplish the recited functions of tracking and logging removed and returned items. The access controller is 170. The invoice component is the software that allows a customer to be billed. Brown discloses that the overall system of his invention can bill the customer for removed items. This satisfies what has been claimed. Brown discloses the structure recited in the claims.

For claims 17,18,21,30, see paragraphs 23 and 24 where the claimed limitations are disclosed.

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1,2,5-15,19,22,31,32, are rejected under 35 U.S.C. 103(a) as being unpatentable over Brown et al. (20020118111).

For claims 1,7,8,9,13,15,31,32, Brown discloses a method of managing rental equipment. See paragraph 20 where the tracking of items that are occasionally removed on a temporary basis is disclosed. Brown specifically discloses the use of the invention in rental stores (for rental items such as videos). Brown discloses a storage room 100 (or 110). The room is kept secure by a locking mechanism 170 that selectively provides access to the room based on a sensed identity of a customer

attempting to enter the secure room. See paragraph 25. With respect to the limitation of storing a list of rental items removed by a customer, Brown discloses that the rental items are tracked and removed items are logged in a database along with the ID of the customer who removed the items. The limitations of the first secure area and 2nd secure area are considered to be satisfied by simply two areas in the secure room 100. Applicant has recited two secure areas and this language is broad enough to read on two areas of room 110, such as a first area that is located in the area where a customer enters room 110, and the 2nd secure area is the area where the item(s) is located that is being removed. Both areas are secure areas because of the locking mechanism 170 that provides secures the room 100. The language reciting that the 2nd secure area is assigned to the customer has been considered but is not taken as a method step, and does not appear to be reciting any further structure that is used in the claimed method. Because Brown discloses that one can reserve items in advance (see last few lines of paragraph 30), any area that contains a reserved item can be considered as "assigned to the customer" because it has been reserved (i.e. assigned to the customer). Brown discloses that the locking mechanism 170 senses the identity of the customer and selectively provides access as claimed. See paragraph 25. When the customer is granted access to room 100, this is providing access to both the 1st and 2nd secure areas at the same time; therefore, this satisfies what has been claimed. Brown discloses that when items are returned to the secure room 100, items that are returned are logged as being returned in the database. See paragraph 29 where the tracking of items that are removed and returned are logged. Not specifically disclosed is the step

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of determining what item(s) have not been returned and storing the item along with an identifier of the customer. Because Brown discloses that the invention can be used in rental stores, it would have been obvious to one of ordinary skill in the art at the time the invention was made to determine whether or not a customer has returned all rented items that the customer has previously removed, and if an item is missing, it would have been obvious to store the missing item along with the customer ID. In the business of doing rentals, one of ordinary skill in the art would most assuredly be concerned with missing inventory that has not been returned. If a customer fails to return a rented video from a video rental store, the owner would want to know this fact, so that the customer can be contacted and possibly billed for the rented but not returned video.

For claim 8, in addition to that immediately above, not disclosed is the act of alerting the customer to return the missing item(s). It would have been obvious to one of ordinary skill in the art at the time the invention was made to alert the customer to the fact that they have not returned an item that they rented. The alert can be a telephone call or a letter notifying them of their failure to return the rented item. One of ordinary skill in the art would be motivated to alert the customer so that the item can be returned and made available to another customer for rental. The examiner believes that this would be within the knowledge of one of ordinary skill in the art. Additionally, the instant examiner has personally worked in a video rental store and has personally been involved with the calling of customers on the phone to ask them to return movies that have not been returned. The examiner takes "official notice" that the act of alerting customers to the fact that they have neglected to return a rented item is old and well

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known in the art, and was in public use much prior to the filing date of the instant application. Claim 8 has been rejected based on what one of ordinary skill in the art would have appreciated, as well as being rejection based on the "official notice" of the examiner.

For claim 2, see the last few lines of paragraph 30, where it is disclosed that the customer can reserve an object in inventory. This satisfies what has been claimed because a reservation is the same as securing the items for that customer.

For claims 5,6,11,12, Brown discloses that video cameras can be used to monitor a customer and the items they remove from a rental store. See paragraph 24. To do this the recording device must inherently be started when a customer is present in the store (after ID has been checked). Not disclosed is that the recording will stop after a predetermined amount of time. It would have been obvious to one of ordinary skill in the art at the time the invention was made to stop recording after a predetermined amount of time has elapsed after the customer has exited the store, there is no need to record the area when nobody is there. The recording must stop at some point and having it stop after a predetermined amount of time has elapsed is considered obvious.

For claims 10,14, the recorded status information is interpreted to be any information relevant to the items and their return. Status information is broad language and is satisfied by Brown because Brown records information on what was returned, when, and by whom.

For claim 13,31, in addition to that disclosed previously, not specifically disclosed is that the customer will be billed for the item that was not returned. One of ordinary skill in the art at the time the invention was made would have been motivated to bill the customer for items that are not returned so that the rental business owner would not be losing inventory without proper compensation. Not returning rented items basically is theft and one of ordinary skill in the art would be motivated to bill the customer for the items they have kept in their possession.

For claims 19,22, not disclosed by Brown is the GPS sensor. Brown discloses in paragraphs 23 and 24 that any known manner of tracking objects (and their location) can be used in the invention. Brown does not disclose a GPS sensor. Because GPS is an old and well known manner of tracking objects, one of ordinary skill in the art at the time the invention was made would have been motivated to use GPS as a manner of item tracking because GPS is widely recognized as a very accurate way of tracking items and would allow item tracking in areas other than the secure room 100. GPS works everywhere in the United States.

(10) Response to Argument

102(e) rejection

For the 102(e) rejection of claims 16-18,20,21,29,30, on page 13 of the Appeal Brief, applicant has argued that there is no "second secure area" in Brown. The examiner and applicant disagree on how this limitation is to be interpreted in the claims.

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The position of the examiner is that the limitations of the 1st secure area and 2nd secure area are satisfied by any two areas in the secure room 100 (where both areas are kept secure by the access controller 170). Applicant has recited two secure areas and this language is broad enough to read on any two areas of room 110, such as a first area that is located in the area where a customer enters room 110, and the 2nd secure area such as the area where the item(s) is located that is being removed. Both areas can reasonably be considered as "secure areas" because of the locking mechanism 170 that secures the room 100. The claims simply recite 1st and 2nd secure areas, which is present in Brown. All areas of room 100 (the floor, the shelves that hold items, etc.) are secure because of the existence of the access controller 170, that selectively provides access to the room and keeps the items secure. Applicant has not recited any kind of structure that precludes the examiner from interpreting the language as the examiner has set forth. An area is just a portion of space, and in Brown, there are many areas in room 100, and all are secure because of the access controller 170. The examiner also notes that on page 16, for the 103 rejection applicant has stated that "the second secure area 104, located within first secure area 102, also contains a means for selective customer access", but the examiner notes that the language "2nd secure area" does not require this disclosed structure. The examiner feels that applicant is reading too much into the term "2nd secure area" because nothing else is claimed to distinguish the area from another area of the same room. The word "secure" does not require another access controller or any kind of structure that controls access to that area.

Applicant has also argued that the reference does not teach “determining at least one missing rental equipment item listed on the rental list but not listed on the return list”. Applicant also states that there is no teaching that the user is billed when the user returns the items (this is not claimed in claim 16). In Brown, as stated in paragraph 29, the ingress and egress of items in room 100 is tracked and logged in a database. This data is recorded in a database as paragraph 29 discloses. When an item is taken, that item is associated with the user who takes it, and a record is made of that fact. When items are returned, they are noted as being returned in the system and in the database files. When a user takes 3 items from the room, and only returns 2 of them, the system of Brown records the fact that the 2 items have been returned, but does not record that the 3rd has been returned. This is the same as determining a missing item. Three items were taken, two are recorded as being returned, which leaves the database indicating that one item is still recorded as being taken out, which is the missing item that is still checked out. Applicant’s argument is non-persuasive. Concerning the argument that Brown does not teach that the user is billed *when the user returns the items*, this is not claimed in the claims that are rejected under 35 USC 102(e). All that is recited is an “invoice component” that bills the customer for the costs associated with the missing rental item (functional language). The timing of when the billing happens is not recited in the claim and the scope of this language allows for the user to be billed at any time. This argument is not commensurate with the scope of the claims and is not persuasive. With respect to the “invoice component”, Brown discloses that users can be billed for items. There is necessarily an “invoice component” and it does a billing function, see

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paragraph 17. Paragraph 17 discloses that the information concerning the items that are removed and returned "can be used to...*bill an appropriate party for goods*". The claim language of an "invoice component *that bills a customer for a cost associated with the missing rental equipment item*" is a functional recitation directed to the ability to charge the customer for missing equipment by using the invoice component. Because claim 16 is an apparatus claim, all this limitation requires is an invoice component that is capable of billing the customer for missing equipment. In Brown, if you take an item and do not return it, the owner can bill you for the missing equipment. Because Brown discloses that his system includes a billing component and because one can bill a customer for missing equipment, the claim language is satisfied. Applicant seems to be arguing that the customer is automatically billed by the invoice component once the missing equipment is determined, but this is not claimed and claim 16 is not a method claim.

103 rejection

Applicant has argued that Brown does not disclose a 2nd secure area. This argument has been addressed in the examiner's comments for the 102 rejection. The argument is non-persuasive for the same reasons as previously set forth by the examiner. Applicant has also argued that because there is no 2nd secure area, Brown cannot disclose "selectively providing" access to the 2nd area. This argument is based on the argument that there is no 2nd secure area which has already been addressed.

Applicant has argued that the language reciting that the 2nd secure area is “assigned to the customer” servers to further define the second secure area. To claim that an area is assigned to a customer really means nothing in the opinion of the examiner. The “area” will be the same regardless of whom it is assigned to. Stating that an area is assigned to person A or person B does not change the fact that it is still the same area, regardless of who it is assigned to. Whom the area is assigned to has nothing to do with the structure of the area. The examiner disagrees that this recitation is reciting any further structure to the 2nd area. Additionally, the examiner stated in the rejection that *“Because Brown discloses that one can reserve items in advance (see last few lines of paragraph 30), any area that contains a reserved item can be considered as “assigned to the customer” because it has been reserved (i.e. assigned to the customer).”* Applicant did not respond to this comment in the rejection. The examiner takes the position that even if it is determined that claiming the area as “assigned to a customer” defines something about the area, if the customer reserves an item, the area that contains that item is more or less assigned to the customer, because it contains the items that the customer reserved, just like applicant’s invention.

Applicant has stated that they do not concede that Brown is disclosed as being used for rentals. Applicant is referred to paragraph 20 that clearly states that the invention can be used with items that are taken on a temporary basis “(e.g. video stores, libraries, **rental stores**, etc.). Applicant has then argued that no return list is generated in Brown. This has already been addressed by the examiner with respect to paragraph 29 (see comments in the 102 section). Applicant then argues that even if a

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return list is generated in Brown, absent any teaching in the prior art, an employee must enter the video information because the return list may only be generated by the employee's interaction with the video. This line of reasoning is a little confusing because in Brown, as items are returned, the system senses this fact and logs their return in a database (paragraph 29). The examiner is not sure where this argument is coming from because the examiner did not base the rejection on videos being returned to a video store with manual creation of a return list by an employee. In Brown there are no employees because the system is automated. The examiner also notes that applicant has not addressed the obviousness statement that the 103 rejection is based on. Applicant has stated that "Brown fails to establish a prima facie case of obviousness with respect to claim 1, *because the reference fails to teach or suggest each and every element of the claim.*" The examiner notes that the rejection for claim 1 is made under 35 USC 103, because the reference does not teach every claimed limitation. The examiner never alleged that each and every limitation was found in Brown for claim 1, if that was true the rejection for claim 1 would be a 102, not a 103.

For claims 8-15, applicant has argued that for a video rental store, a return list is not automatically generated because the employees of the video store are involved in the checking in of the videos and this does not satisfy the term "automatically". The examiner finds this unpersuasive for a couple reasons. The prior art being used to reject the claims is the reference to Brown, not a typical brick and mortar type of video rental store that is manned by employees. Brown is directed to an automated system where the ingress and egress of items is tracked and logged by a computer system.

Applicant's argument seems to be based on a premise that Brown discloses that employees take in returned items and then scan them or enter their information into a computer manually. This is not disclosed in any part of the reference. Brown automatically acquires identification of the items being taken and returned in an automated manner. Also, the examiner notes that the term "automatically" does not preclude any human involvement in the process of generating a return list. Even if videos are scanned by people, once they are scanned in, from that point on the computer automatically logs their return. The term "automatically" does not have the narrow scope that is being argued by applicant.

For claims 19 and 22, applicant is basing the argument for patentability on the previously presented arguments that the examiner has already addressed in this examiner's answer. The argument is non-persuasive for the reasons previously set forth by the examiner. The examiner does not see any newly presented argument for claims 19 and 22. The argument for claims 19,22 seems to be the argument that was presented for claim 16.

For claim 31, applicant is arguing the examiner's obviousness statement by arguing that an employee would manually enter data about the returned videos. This is non-persuasive for reasons already set forth, namely that Brown does not disclose employees manually entering data about returned items. The prior art being used to reject the claims is the reference to Brown, not a typical brick and mortar type of video rental store that is manned by employees. Brown is directed to an automated system where the ingress and egress of items is tracked and logged by a computer system.

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Applicant's argument seems to be based on a premise that Brown discloses that employees take in returned items and then scan them or enter their information into a computer manually. This is not disclosed in any part of the reference. Brown automatically acquires identification of the items being taken and returned in an automated manner. Concerning the issue of whether or not one of ordinary skill in the art would have been motivated to bill the customer for the missing rental equipment so that the owner would not be losing inventory without proper compensation (in the event the rented item is not returned), applicant's argument is non-persuasive. Applicant has argued that a bill is not generated until the person returns the video. Applicant argued that if they never return the video, they customer will not automatically be billed "once it has been determined that an item is missing". The examiner notes that claim 31 states "automatically billing the customer for the use of the missing rental equipment item". The claim does not require that the automatic billing takes place once the item is determined to be missing as has been argued. The argument is not commensurate with the scope of the claim.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

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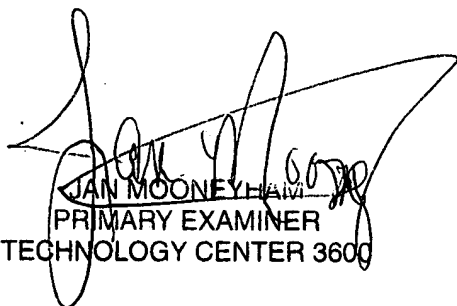
For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,




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